

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 H-02 INR-07 L-03 NSAE-00

NSC-05 PA-02 PRS-01 SP-02 SS-15 TRSE-00 OMB-01 ACDA-10

EB-07 SAJ-01 /073 W
----- 008236

P R 160430Z SEP 76
FM AMEMBASSY STOCKHOLM
TO SECSTATE WASHDC PRIORITY 8675
INFO USIA WASHDC
DOD WASHDC

UNCLAS SECTION 1 OF 2 STOCKHOLM 5060

E.O. 11652: N/A
TAGS: PFOR, SW
SUBJECT: MEDIA COVERAGE OF SALE OF U.S. EQUIPMENT TO SWEDISH
DEFENSE

REF: STOCKHOLM 5009

HEREWITH FULL TRANSLATION OF DAGENS NYHETER STORY OF PRESS CON-
FERENCE BY COMMANDER-IN-CHIEF SYNNERGREN HELD SEPTEMBER 14.

PURCHASES FROM THE USA TO CONTINUE: SECRET DELIVERIES FOR THREE
MILLION KRONOR.

THE SWEDISH DEFENSE PURCHASED FOR ALMOST EIGHT YEARS SECRET
ELECTRONIC EQUIPMENT FOR THE INTELLIGENCE SERVICE IN SWEDEN AT A
COST OF ALMOST THREE MILLION KRONOR. THIS WAS CONFIRMED BY COM-
MANDER-IN-CHIEF STIG SYNNERGREN ON TUESDAY AFTERNOON AT A PRESS
CONFERENCE WHICH AT TIMES BECAME HEATED. THE SECRET DELIVERIES
ARE STILL BEING MADE. FORMER MINISTER OF DEFENSE SVEN ANDERSSON
SAYS TO DAGENS NYHETER THAT THE DELIVERIES WERE MADE TO THE
SWEDISH AIR FORCE.

STIG SYNNERGREN DID NOT INITIATE THE AFFAIR BUT HE TAKES THE RESPON-
SIBILITY FOR IT. THE DELIVERIES BEGAN IN 1968. BUT IT TOOK THREE
YEARS UNTIL THE SUPPLIERS MADE UP THEIR MIND ON HOW THE MONEY WAS
TO BE PAID AND ON WHO WAS TO BE THE RECIPIENT.

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FORMER MINISTER OF DEFENSE SVEN ANDERSSON WROTE A LETTER TO PER

ASBRINK, WHO AT THE TIME WAS THE HEAD OF THE BANK OF SWEDEN, ON JUNE 30, 1970. SVEN ANDERSSON REFERRED TO A CONVERSATION HE HAD WITH ASBRINK THE DAY BEFORE. THE MINISTER OF DEFENSE CONFIRMED HIS DESIRE TO TRANSMIT 1,370,000 KRONOR TO THE DEPUTY CHIEF-OF STAFF IN THE U.S. AIR FORCE, MAJOR GENERAL ROCKLY TRIANTAFELLU IN WASHINGTON.

THIS IS THE ONLY INVOLVEMENT SVEN ANDERSSON HAS HAD IN THE ENTIRE AFFAIR. SVEN ANDERSSON TALKED WITH ASBRINK AND WROTE THE LETTER TO ASBRINK AT THE REQUEST OF STIG SYNNERGREN. SYNNERGREN WANTED TO GET ANDERSSON'S ASSISTANCE TO HANDLE THE MONEY TRANSACTION IN A DISCREET WAY. A PERMIT FROM THE BANK OF SWEDEN WAS NEEDED TO SEND THE MONEY TO THE U.S.

THE MATTER WAS LATER ON HANDLED BY THE FORMER DEPUTY CHIEF OF THE BANK OF SWEDEN SVEN JORGE.

SVEN ANDERSSON'S LETTER TO ASBRINK IS PUBLISHED IN THE LATEST ISSUE OF FOLKET I BILD/KULTURFRONT. NOTES MADE BY HAND ON THE LETTER MAKE IT APPEAR THAT SVEN ANDERSSON HAD WRITTEN TO ASBRINK THAT IF THE AFFAIR WAS ACCEPTED, KARL ANDERS NORLIN, WHO AT THE TIME WAS DIRECTOR OF THE ENSKILDA BANKEN, COULD HANDLE THE MATTER.

JORGE NOTED ON THE LETTER THAT HE HAD CALLED NORLIN ON JULY 1, 1970, AND TOLD HIM THAT THE BANK OF SWEDEN APPROVED TRANSFER OF MONEY OUT OF THE COUNTRY. FIVE MONTHS LATER, ON DECEMBER 2, 1970, JORGE NOTED, ACCORDING TO THE REPRODUCED LETTER, THAT THE AMOUNT HAD NOT YET BEEN TRANSFERRED BY THE ENSKILDA BANKEN TO THE U.S. THE AMOUNT NOW AMOUNTED TO 1,450,000 KRONOR INCLUDING INTEREST. ACCORDING TO THE NOTES THE MONEY WAS TO BE PRESENTED IN ONE HUNDRED DOLLAR BILLS TO THE AMERICAN AIR ATTACHE AT THE EMBASSY IN STOCKHOLM, COLONEL PAUL B. MONROE.

A DECLARATION RE PURCHASE OF FOREIGN CURRENCY WAS NOT SENT TO THE BANK OF SWEDEN UNTIL DECEMBER 21, 1970, FROM THE ENSKILDA BANKEN. THE BANK OF SWEDEN APPROVED THE PURCHASE THE FOLLOWING DAY.

THE DECLARATION LISTS COLONEL MONROE AS RECIPIENT AND THAT PAYMENT HAD BEEN MADE. PAYMENT WAS MADE AT LEAST ONE MORE TIME TO
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COLONEL MONROE ACCORDING TO A COPY OF THE TRANSACTION, PUBLISHED IN DN TODAY.

THE WHOLE AFFAIR WAS REVEALED WHEN THE LATEST ISSUE OF FIB/KULTURFRONT BECAME AVAILABLE ON TUESDAY, THOUGH THE MAGAZINE IS DATED WEDNESDAY. THE STORY IS WRITTEN BY FIB/KULTURFRONT'S JAN GUILLOU, KNOWN FROM THE IB AFFAIR, WHO WORKED TOGETHER WITH A REPORTER FROM THE WASHINGTON POST.

AT 1 P.M. YESTERDAY JAN GUILLOU GAVE A PRESS CONFERENCE BUT HE DID NOT HAVE VERY MUCH TO ADD TO WHAT THE ARTICLE SAYS. HOWEVER, HE ADDED THAT THIS TIME THEY HAVE OBLITERATED THE TRACES OF THEIR SOURCES SO WELL THAT NO AUTHORITY WILL BE ABLE TO FIND THEM. HE WONDERED IF THE AUTHORITIES WOULD TAKE ACTION AGAINST HIM THIS TIME TOO. SYNNERGREN COMMENTED LATER THAT HE DOUBTS THEREE WILL BE ANY ACTION AGAINST GUILLOU.

GUILLOU DOES NOT SAY IN THIS ARTICLE THAT THE SWEDISH DEFENSE ESTABLISHMENT IN THE YEARS 70-73 PAID AROUND 2.2 MILLION KRONOR FOR INFORMATION FROM THE AMERICAN AIR FORCE INTELLIGENCE SERVICE. HE LETS HIS READERS DRAW THIS CONCLUSION BY THEMSELVES.

TWO HOURS LATER ON TUESDAY SYNNERGREN CAME TO A PRESS CONFERENCE.

THIS WAS AN AFFAIR INVOLVING A LEGAL TRANSACTION AND PAYMENT FOR GOODS, NOT SERVICES, SAID SYNNERGREN. IT CONCERNED ELECTRONIC EQUIPMENT FOR THE SWEDISH INTELLIGENCE SERVICE.

THE MONEY CAME FROM A SECRET BUDGET THAT THE COMMANDER-IN-CHIEF HAS AT HIS DISPOSAL. THE BUDGET HAS BEEN CHECKED BY GOVERNMENT AUDITORS; AND AS OF THIS YEAR THERE IS A RIKSDAG-APPOINTED INTELLIGENCE BOARD THAT WILL SUPERVISE THE SWEDISH INTELLIGENCE SERVICE. THE BOARD IS A RESULT OF THE IB AFFAIR.

THE DELAY IN THE FIRST PAYMENT WAS DUE TO THE FACT THAT THE RECIPIENTS IN THE USA TOOK SO MUCH TIME TO DECIDE WHO WAS TO GET THE MONEY. THE FIRST PAYMENT AMOUNTED TO ABOUT \$277,000 OR 1,450,000 KRONOR. THEREAFTER, DURING 71-73 A TOTAL OF 735,000 KRONOR WAS PAID, SAID SYNNERGREN. THIS MAKES 183,000 PER YEAR OR ABOUT \$45,000.

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GENERAL SYNNERGREN MENTIONED THIS SUM BY CHANCE ON TUESDAY. THIS WILL MAKE 2.92 MILLION KRONOR BY THE END OF THIS YEAR. THE DELIVERIES CONTINUE AND ARE NOT AFFECTED BY TUESDAY'S REVELATIONS, SAID SYNNERGREN. SYNNERGREN MAINTAINS THAT GENERAL TRIANTAFELLU WAS ONLY THE RECIPIENT OF THE MONEY. HE DECLARED THAT THE MONEY WAS TRANSFERRED FROM A SWEDISH BANK TO AN AMERICAN BANK. HE DID NOT CHECK THIS OUT IN DETAIL, HE ONLY MADE SURE THE MONEY REACHED THE RECIPIENT. THAT WAS ENOUGH FOR HIM.

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NSC-05 PA-02 PRS-01 SP-02 SS-15 TRSE-00 OMB-01 ACDA-10

EB-07 SAJ-01 /073 W

----- 008127

P R 160430Z SEP 76

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC PRIORITY 8676

INFO USIA WASHDC

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GENERAL SYNNERGREN ABSOLUTELY REFUSED TO GIVE ANY MORE DETAILS ABOUT WHAT THE AMERICAN EQUIPMENT WAS TO BE USED FOR. HOWEVER, HE ASSURED IT DID NOT INVOLVE MISSILES.

"IF IT HAD BEEN FOR INTELLIGENCE IT WOULD HAVE BEEN AN EXPENSIVE AFFAIR, HAD IT BEEN FOR MISSILES IT WOULD HAVE BEEN CHEAP," WAS THE ONLY THING SYNNERGREN SAID.

AN OPEN PURCHASE FOR DEFENSE PURPOSES IS NORMALLY HANDLED BY THE DEFENSE EQUIPMENT DIVISION BUT THIS AFFAIR WAS NOT HANDLED THAT WAY. THE COMMANDER-IN-CHIEF HANDLED IT DIRECTLY. IT HAPPENS FROM TIME TO TIME THAT PURCHASES ARE MADE WITHOUT INVOLVING THE EQUIPMENT DIVISION.

"THIS PARTICULAR ELECTRONIC EQUIPMENT CAN ONLY BE PURCHASED IN THE USA," SAID SYNNERGREN.

THE COMMANDER-IN-CHIEF ONLY HINTED AT THE REASONS FOR THIS UNUSUAL METHOD OF PURCHASE. THE REASON WAS THAT THE THING SHOULD BE KEPT SECRET. THERE MUST BE SECRET AREAS EVEN AFTER THE IB AFFAIR, HE SAID.

OPEN DEFENSE TRANSACTIONS NORMALLY ARE HANDLED BY THE PK BANKEN. DN LEARNED FROM ANOTHER SOURCE THAT THE REASON WHY THE ENSKILDA BANKEN WAS INVOLVED WAS THAT THE COMMANDER-IN-CHIEF HAD TO WAIT

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THREE YEARS BEFORE HE COULD MAKE A PAYMENT. IF FUNDS ARE NOT USED WITHIN A FISCAL YEAR, THE MONEY GOES BACK TO THE TREASURY. SO THE COMMANDER-IN-CHIEF DEPOSITED THE MONEY IN THE ENSKILDA BANKEN.

FROM ONE OF THE MOTATIONS MADE BY SVEN JORGE ON ANDERSSON'S LETTER OF JUNE 1970 IT SEEMS CLEAR THAT JORGE BELIEVED THAT THE MONEY THAT WAS PAID TO COL. MONROE WAS TO BE "SMUGGLED" OUT OF SWEDEN. BUT IT WASN'T SMUGGLING SINCE THE BANK OF SWEDEN APPROVED THE TRANSACTION.

BUT THE MONEY MIGHT HAVE BEEN TAKEN OUT OF SWEDEN VERY DISCREETLY IN AN ATTACHE' CASE.

THE DEPARTMENT OF DEFENSE HAS NEITHER HAD NOR HAS ANY DIRECT CONNECTION WITH THESE SECRET AFFAIRS WITH THE U.S. THE DEPARTMENT NEVER ON ITS OWN HANDLES A PURCHASE, SAYS THE PRESENT UNDER SECRETARY ULF LARSSON TO DN. BUT THE DEPARTMENT WILL INFORM THE BANK OF SWEDEN ABOUT REASONABLE TRANSACTIONS THE MILITARY AUTHORITIES WISH TO MAKE. THIS GOES PARTICULARLY FOR ADVANCE PAYMENTS. THIS EXPLAINS SVEN ANDERSSON'S PART IN THE AFFAIR, SAY LARSSON.

SYNNERGREN AVOIDED TO ANSWER THE QUESTION WHETHER THE ELECTRONIC EQUIPMENT THAT SWEDEN BOUGHT FROM THE U.S. IS MANUFACTURED BY A PRIVATE CORPORATION OR NOT. "THE EQUIPMENT DOES NOT CARRY A MANUFACTURER'S NAME ON IT," SYNNERGREN SAID.

DN LEARNS FROM ANOTHER SOURCE THAT THIS IS THE FIRST AND SO FAR THE ONLY TIME THAT DEFENSE PURCHASED EQUIPMENT DIRECTLY FROM THE U.S. DEFENSE DEPARTMENT AND NOT FROM A PRIVATE U.S. COMPANY. BUT AS FAR AS WE KNOW, THE EQUIPMENT IS MANUFACTURED BY A PRIVATE FIRM.

GENERAL TRIANTAFELLU HAS LEFT HIS AIR FORCE POSITION AND IS NOW A CONSULTANT TO A PRIVATE COMPANY, ACCORDING TO A REPORT FROM NEW YORK IN TODAY'S PAPER.

IN HIS CAPACITY AS DEPUTY AIR FORCE CHIEF-OF-STAFF HE WAS ALSO THE HEAD OF THE AIR FORCE INTELLIGENCE SERVICE. THIS IS WHY IT WAS SUSPECTED THAT SWEDEN BOUGHT SECRET INFORMATION FROM UNCLASSIFIED

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THE U.S. AND NOT EQUIPMENT.

RELIABLE SOURCES IN STOCKHOLM REJECT THE THEORY THAT AMERICAN DEFENSE LEADERS WANT TO KEEP THE AFFAIR SECRET FOR POLITICAL REASONS. RELATIONS BETWEEN SWEDEN AND THE U.S. BECAUSE OF THE VIETNAM WAR HAD NOT YET COOLED TO THE EXTENT THEY LATER DID WHEN THE DELIVERIES BEGAN IN 1968. THE PAYMENTS FROM SWEDEN WERE

MERE PIN-MONEY TO THE U.S. AIR FORCE, BUT BOTH PARTIES WISHED TO HIDE THE TRACES. THE BOARD OF GOVERNORS OF THE BANK OF SWEDEN ON TUESDAY DECIDED TO CLASSIFY ALL DOCUMENTS REGARDING THESE AFFAIRS OF THE YEARS 1970-76, TOLD THE BANK'S LAWYER, AKE GUSTAFSSON, DN .

THE COMMANDER-IN-CHIEF HAS GONE AS FAR AS HE CAN IN SAYING WHAT HE WANTS AND CONSIDERS HIMSELF ABLE TO SAY.

THE REST OF THE TRACES HAVE BEEN COVERED UP ON BOTH SIDES OF THE OCEAN."
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXT, PRESS COMMENTS, EQUIPMENT, MILITARY SALES, PRESS CONFERENCES
Control Number: n/a
Copy: SINGLE
Draft Date: 16 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STOCKH05060
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760349-0529
From: STOCKHOLM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760951/aaaabsbr.tel
Line Count: 289
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 STOCKHOLM 5009
Review Action: RELEASED, APPROVED
Review Authority: vandyklc
Review Comment: n/a
Review Content Flags:
Review Date: 20 FEB 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 FEB 2004 by MaustMC>; APPROVED <26 AUG 2004 by vandyklc>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MEDIA COVERAGE OF SALE OF U.S. EQUIPMENT TO SWEDISH DEFENSE
TAGS: PFOR, SW, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006